UNITED
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ST

Secretariat

ST/AI/414/Add.1
3 May 1996

ADMINISTRATIVE INSTRUCTION

To: Members of the staff

From: The Under-Secretary-General for Administration and Management

Subject: 1996 EARLY SEPARATION PROGRAMME

Addendum

1. The present addendum gives staff who qualify for option (c) in paragraph 4 of ST/AI/414 an option to exercise a similar option for insurance purposes.

2. Staff who have exercised option (c) and who on the date that they are to receive a periodic pension benefit under that option, would have qualified for after-service health insurance and/or after-service life insurance benefits had their participation in the applicable United Nations insurance plans been continuous to that date, will have an added option to use, during the period that they have selected for special leave for pension purposes, part of their termination indemnity for the purpose of continued participation in the health or life insurance plan or plans to which they contribute.

3. Staff who wish to avail themselves of option (c) with this added option, must make written application within seven days of the promulgation of the present instruction to be placed on special leave for pension AND insurance purposes to enable them to qualify for enrolment in after-service health insurance and/or after-service life insurance in addition to the periodic pension benefit. Staff who select this added insurance option will be required to acknowledge in writing that they understand that they may not modify or add to their health or life insurance coverage(s) after the date on which they commence special leave for pension and insurance purposes.

4. The entire cost of the insurance coverage(s), the contribution(s) of both the staff member and the subsidy paid by the Organization for the period in question, will be deducted from the termination indemnity and held by the Organization to pay the insurance premiums. Upon being placed on special leave for pension and insurance purposes, the staff member will be paid the balance of

the termination indemnity, provided however that an amount equivalent to 10 per cent of the total insurance contributions will be withheld against the possibility of an increase in insurance contributions during the period of leave for pension and insurance purposes. Should such an increase occur, the Organization would pay to the relevant insurer the increased premiums, the increase being deducted from the amount withheld. Any unused amount will be paid at the end of the period to the separated staff member. Should this withheld amount be insufficient, the staff member will be advised and given the opportunity to make up the shortfall to ensure that he or she qualifies for after-service health insurance and/or after-service life insurance benefits upon receipt of a periodic pension benefit.

5. Staff who opt for special leave for pension and insurance purposes will be required to sign an agreement acknowledging that they have severed all ties with the Organization except for the status of special leave for pension and insurance purposes, and that all their entitlements from the Organization, with the exception of refund of amounts retained for pension and insurance contributions, will be fixed and finally settled on the basis of their status as of the date they commence special leave.

6. All other conditions of administrative instruction ST/AI/414 remain in force.

ANNEX I

After-service health insurance programme

1. Participation in the United Nations after-service health insurance programme is governed by administrative instruction ST/AI/394, dated 19 May 1994. That instruction sets out the relevant details in regard to eligibility criteria for participation in the programme as well as the related administrative rules and procedures. The key elements relating to eligibility to participate in the programme may be summarized as follows (this summary is provided for ease of reference only; it does not affect the conditions set out in the instructions summarized):

(a) The former staff member who leaves the service of the United Nations must be 55 years of age of older;

(b) The after-service health insurance is only available as a continuation of existing coverage in a United Nations contributory health insurance scheme;

(c) The insurance is only available to the spouse and dependent children of a staff member if they are also covered at the time the staff member leaves the service of the United Nations;

(d) The former staff member must be eligible to receive a periodic benefit from the United Nations Joint Staff Pension Fund (UNJSPF). In addition, staff members who enrol in a health insurance plan administered at Headquarters shall have their contributions deducted on a monthly basis from their periodic pension benefit;

(e) Staff members with 10 or more years of participation in an appropriate health insurance scheme will be entitled to a subsidy. Staff members who separate from service with 5 or more, but less than 10 years of participation may be enrolled in the after-service health insurance programme without benefit of subsidy until they have completed a total of 10 years of participation.

2. It should be noted that eligibility for after-service health insurance benefits is not dependent on whether or not a staff member has completed 25 years of contributory participation in the Pension Fund. Staff members who have reached age 55 and who do not wish to be placed on special leave for pension purposes to enable them to complete 25 years of service, and who in all other respects meet the after-service health insurance eligibility conditions, may be enrolled in the programme in the normal way, following the procedures and within the time-frame specified in administrative instruction ST/AI/394.

3. As indicated in paragraph 1 (b) above, in addition to the other eligibility criteria, a staff member must be enrolled in a United Nations health insurance scheme at the time of separation from service. Relevant details of the health insurance schemes administered at Headquarters, including benefit summaries and premiums valid until 30 June 1996, are set out in information circular ST/IC/1995/31, dated 25 May 1995. Similar information pertaining to the Van Breda plan for eligible staff at duty stations away from Headquarters, valid

until 31 December 1996, is set out in information circular ST/IC/1996/4, dated 10 January 1996.

4. Staff members should be aware that exercise of the added insurance option may involve a deduction from the termination indemnity of several thousand dollars. For example, in the case of a staff member whose situation is described in paragraph 5 (a) of the annex to administrative instruction ST/AI/414, and who has family-level Aetna health and GHI dental coverage as well as group life insurance coverage, the full monthly cost of maintaining these coverages amounts to $855.64, or $11,123.32 for the 13 months until age 55 is reached. On the other hand, a staff member who was 54 years of age and had 24 years of participation in the Pension Fund but had only three years contributory participation in a United Nations health insurance scheme would be ineligible to maintain insurance coverage under the added option as the minimum five-year participation period for after-service health insurance purposes would not be met by the end of the period of special leave for pension purposes available under option (c).

ANNEX II

After-service life insurance programme

1. In common with the after-service health insurance programme, the after-service life insurance programme is also available as a continuation of participation in the United Nations group life insurance plan for eligible staff members. Full details concerning after-service life insurance are set out in information circular ST/IC/78/38, dated 12 June 1978. The relevant provisions of the after-service life insurance programme may be summarized as follows (this summary is provided for ease of reference only; it does not affect the conditions set out in the instructions summarized).

2. In order to be eligible for after-service life insurance coverage, a staff member must have been a participant in the group life insurance programme for at least 10 years and must be age 55 or above. In addition, in order to be eligible to maintain life insurance coverage under the added insurance option to qualify for the after-service life insurance programme, the staff member must be enrolled in the United Nations group life insurance programme at the time of separation from service.

3. The after-service life insurance programme provides the eligible former staff member with life insurance coverage only, and at reduced levels compared to the indemnity level at the time of separation (the principal amount). Under after-service life insurance, the death benefit is reduced progressively from the principal amount at separation from service as follows:

(a) From date of separation to age 65, 45 per cent of the principal amount;

(b) From age 65 to age 70, 22.5 per cent of the principal amount;

(c) Age 70 and above, 7.5 per cent of the principal amount subject to a minimum benefit of $3,000 and a maximum benefit of $5,000.

4. Staff members should note that after-service life insurance coverage is cost-free to the participant and does not involve any subsidy by the Organization, and that eligibility for after-service life insurance benefits is automatically verified by the Insurance Section at the time of application for the after-service health insurance programme.

5. Participants in the United Nations group life insurance plan are advised to review their designation of beneficiaries under the plan prior to separation from service. It is important to note that in the event of death, the insurer pays benefits on the basis of the most recently executed designation of beneficiary form. In the case of staff members at Headquarters, they may review their life insurance files for this purpose at the offices of the Insurance Section, room S-2765, between the hours of 3 and 5 p.m. Staff members whose group life insurance participation is administered at offices away from Headquarters should consult their files at the administering office concerned.